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**1988/07/15**

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OO RUEHC RUEHUL RUEHKO RUFHLD RUEHML RUEHJA RUEHKL  
RUEHBK RUEHIN RUHQHQA  
DE RUEHCM #4112/01 1971745  
ZNR UUUUU ZZH

O 151730Z JUL 88 ZFF4  
FM USOEL SECRETARY IN CHINA  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 3748  
INFO RUEHUL/AMEMBASSY SEOUL IMMEDIATE  
RUEHKO/AMEMBASSY TOKYO IMMEDIATE  
RUFHLD/AMEMBASSY LONDON IMMEDIATE  
RUEHML/AMEMBASSY MANILA IMMEDIATE  
RUEHJA/AMEMBASSY JAKARTA PRIORITY  
RUEHKL/AMEMBASSY KUALA LUMPUR PRIORITY  
RUEHBK/AMEMBASSY BANGKOK PRIORITY  
RUEHIN/AIT TAIPEI PRIORITY  
RUHQHQA/CINCPAC HONOLULU PRIORITY  
BT

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FOR S/S, USIA FOR P/M, P/P, P/PFF, P/FW, P/FN, VOA/BRF,  
EA: STATE FOR PA, PA/PRESS, EAP/C; DEPARTMENT PASS NSC  
AND WHITE HOUSE PRESS OFFICE; CINCPAC FOR USIA ADVISER;  
AIT FOR CIS

E.O. 12356: N/A

TAGS: OVIIP, (SHULTZ, GEORGE P.)

SUBJECT: OFFICIAL TEXT OF TOAST - SUMMER PALACE JULY 15

THE FOLLOWING IS THE OFFICIAL TEXT OF TOAST GIVEN BY  
SECRETARY SHULTZ AT DINNER, JULY 15:

1. BEGIN TEXT:

MINISTER QIAN, DISTINGUISHED GUESTS,

IT IS A PLEASURE TO HAVE THIS OPPORTUNITY TO RETURN  
THE GENEROUS HOSPITALITY THAT HAS BEEN SO GRACIOUSLY  
AFFORDED O'BIE AND ME SINCE OUR ARRIVAL.

MR. MINISTER, OUR TALKS HAVE BEEN WIDE-RANGING AND  
PRODUCTIVE. I HAVE ALSO BEEN PRIVILEGED TO MEET WITH  
OTHER SENIOR LEADERS -- CHAIRMAN DENG, GENERAL SECRETARY  
ZHAO, PREMIER LI AND VICE PREMIERS WU AND TIAN. OUR  
TALKS NOW SPAN A SIX-YEAR PERIOD, AND WE HAVE TRAVELED  
AN INCREASINGLY INTERESTING ROAD IN THAT TIME. THAT  
ROAD IS RAPIDLY LEADING US INTO A PROMISING FUTURE.

AND IT IS THE FUTURE -- AND HOW CHINA, THE UNITED  
STATES, INDEED ALL COUNTRIES -- GET THERE THAT I WANT TO  
TALK ABOUT TONIGHT. FOR OUR JOURNEY TOWARD THE

DEPARTMENT OF STATE		IS/FPC/CDR	Date:	MAR 8 1993
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TWENTY-FIRST CENTURY PROMISES TO BE AS CHALLENGING AS IT COULD BE REWARDING, IF ONLY WE PREPARE FOR IT WELL AND KEEP ON TRACK AT A STEADY PACE.

TODAY, DEVELOPMENTS IN SCIENCE AND TECHNOLOGY ARE TRANSFORMING ECONOMIC, POLITICAL AND SECURITY RELATIONSHIPS AROUND THE WORLD. WHEN I HAVE TRIED TO DESCRIBE THESE CHANGES AND THEIR IMPLICATIONS TO AMERICAN AUDIENCES, I HAVE REFERRED TO THE TIME IN ANCIENT CHINA WHEN FAMILIAR WORDS AND WAYS OF THINKING NO LONGER ACCURATELY DESCRIBED THE REALITIES OF THE DAY, WHEN PHILOSOPHERS SPOKE OF THE NEED TO "RECTIFY NAMES" SO THAT CONCEPTS WOULD CORRESPOND TO THE NEW ORDER OF THINGS.

WE LIVE TODAY IN ONE OF THOSE TIMES. AND THE NAME THAT HAS BECOME ASSOCIATED WITH THE EMERGING ERA IS THE INFORMATION AGE. AN AGE WHEN KNOWLEDGE AND OPENNESS TO ITS TRANSMISSION AND ITS CONSEQUENCES ARE THE KEYS TO SUCCESS FOR ALL COUNTRIES. TODAY AND IN THE YEARS AHEAD, IT IS NOT JUST THE NAMES OF THINGS THAT MUST BE RECTIFIED. WE MUST ALSO ADJUST HOW WE THINK ABOUT THINGS AND WE MUST ALL LEARN TO BE OPEN TO NEW POSSIBILITIES.

WE KNOW THAT THE CHANGES NOW UNDERWAY IN CHINA ARE NOT JUST A RESPONSE TO THE DOMESTIC DEMANDS OF THE PRESENT, BUT ALSO REFLECT YOUR APPRECIATION OF THE NEED TO ADJUST TO THE GLOBAL TRENDS WE SEE SHAPING TOMORROW'S WORLD.

INCREASINGLY, IT IS CLEAR THAT OUR WORLD IS BECOMING A PLACE WHERE NO COUNTRY -- LARGE OR SMALL, DEVELOPED OR DEVELOPING, CAPITALIST OR COMMUNIST -- CAN BE FULLY SUFFICIENT UNTO ITSELF ECONOMICALLY, POLITICALLY OR MILITARILY. DOMESTIC DEVELOPMENT, POLITICAL STABILITY AND NATIONAL SECURITY ARE FUNDAMENTALLY RELATED TO A GROWING WORLD ECONOMY, ACTIVE ENGAGEMENT IN WORLD AFFAIRS AND A PEACEFUL INTERNATIONAL ENVIRONMENT.

THAT IS WHY WE SEE GOVERNMENTS IN ASIA AND ELSEWHERE IN THE WORLD TAKING STEPS TO ENSURE THAT THEIR ECONOMIES ARE COMPETITIVE, THAT THEIR POLITICAL SYSTEMS ARE RESPONSIVE TO THE NEEDS OF THEIR PEOPLE, THAT REGIONAL CONFLICTS ARE PEACEFULLY RESOLVED AND THAT INTERNATIONAL TENSIONS ARE REDUCED.

THE DIRECTION THAT U.S.-CHINESE RELATIONS HAVE TAKEN OVER THE PAST TEN YEARS MIRROR THIS OUTWARD-LOOKING APPROACH. OUR RELATIONS HAVE EVOLVED WELL BEYOND THE LIMITED FOCUS AND SPECIAL CONCERN OF THE 1970S TO

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ENCOMPASS A HOST OF INTERNATIONAL ISSUES. TOGETHER, WE ARE SEARCHING FOR WAYS TO PRESERVE THE PEACE AND TO PROMOTE THE INDEPENDENCE OF SOVEREIGN COUNTRIES. WE SHARE A COMMON INTEREST IN ENSURING THAT THE AFGHAN PEOPLE WILL ONCE AGAIN BE ABLE TO DETERMINE THEIR OWN FUTURE, THAT CAMBODIA REGAINS ITS SOVEREIGNTY AND INDEPENDENCE AND THAT RELATIONS BETWEEN NORTH AND SOUTH KOREA IMPROVE. WE BOTH ARE ENGAGING IN EFFORTS TO ESTABLISH STEADY AND CONSTRUCTIVE RELATIONS WITH THE SOVIET UNION.

BUT MORE NEEDS TO BE DONE. THAT IS WHY, FOR EXAMPLE, WE HAVE BEEN DISCUSSING THE PRESSING NEED TO BRING THE BLOODY IRAN-IRAQ WAR TO AN END AND WHY WE HAVE EXCHANGED CANDID VIEWS ON MATTERS SUCH AS ARMS CONTROL AND THE PROLIFERATION OF ADVANCED WEAPONRY.

ON THE ECONOMIC FRONT, WE ARE CONTINUING TO OPEN UP TO EACH OTHER. FROM THE TIME I TOOK OFFICE IN 1982, I HAVE WATCHED OUR BILATERAL TRADE NEARLY DOUBLE FROM \$5.5 BILLION TO \$10.4 BILLION LAST YEAR. AND IN THE SAME PERIOD, PLEDGED U.S. INVESTMENT IN CHINA HAS TRIPLED FROM ONE BILLION DOLLARS TO OVER THREE. AT THE SAME TIME, CHINA'S REFORMS PROMISE TO BRING YOU INTO THE CIRCLE OF GATT SIGNATORIES.

AND, IN THE YEARS AHEAD, AS CHINA ENTERS GATT WITH ITS TENETS OF FAIRNESS AND OPENNESS -- AS YOU PROVIDE THOSE WITH WHOM YOU TRADE AN OPPORTUNITY FOR REASONABLE PROFITS, AS YOU REDUCE NON-TARIFF BARRIERS, AS YOU RESPECT INTELLECTUAL PROPERTY RIGHTS -- THEN CHINA WILL SURELY ATTRACT NEW WAVES OF FOREIGN TRADE AND INVESTMENT.

FINALLY, IN THE REALM OF POLITICAL RELATIONS, OVER THE PAST DECADE, AMERICAN LEADERS HAVE BEEN PRIVILEGED TO WORK WITH CHINESE LEADERS WHO ARE WILLING TO ENGAGE WITH US AND WITH THE WORLD COMMUNITY IN ORDER TO RESOLVE THE ISSUES OF THE PRESENT AND CREATE BETTER WORLD CONDITIONS FOR THE FUTURE.

A SIGN OF CHINA'S INCREASED INTERACTION IS THE FACT THAT ALL OF THE LEADERS I HAVE MET WITH ON THIS TRIP HAVE VISITED THE UNITED STATES, JUST AS PRESIDENT REAGAN AND NEARLY ALL OTHER SENIOR AMERICAN LEADERS HAVE VISITED CHINA. FOR THE FIRST TIME IN OUR HISTORY, ONE OF OUR CANDIDATES FOR PRESIDENT HAS LIVED AND WORKED IN CHINA. THIS TREND, ALSO, WILL UNDOUBTEDLY CONTINUE.

TONIGHT, I SEE BOTH NEW AND FAMILIAR FACES. CHINA IN THE PAST FEW MONTHS HAS HELD PARTY AND GOVERNMENT CONGRESSES. YET THE BASIC THRUST OF CHINESE POLICIES

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AND THE RELATIONSHIP WITH AMERICA HAS NOT CHANGED. AMERICA, TOO, SOON WILL SELECT NEW LEADERS. AND, I AM CONFIDENT THAT THEY WILL BE AS COMMITTED TO WORKING WITH YOU AS THIS ADMINISTRATION HAS BEEN.

MR. MINISTER, THE WORLD HAS CHANGED SINCE PRESIDENT NIXON'S HISTORIC VISIT IN 1972. BUT THROUGHOUT THESE PAST SIXTEEN YEARS, OUR LEADERS HAVE RECOGNIZED THE IMPORTANCE OF NURTURING OUR BILATERAL RELATIONSHIP INTO MATURITY. WE ARE FORTUNATE THAT THEY HAVE BEEN FAR-SIGHTED. THEY RECOGNIZED EARLY-ON THAT THE DEVELOPMENT OF RELATIONS BETWEEN OUR TWO NATIONS MUST TAKE THE SAME DIRECTION AS BROADER TRENDS IN THE WORLD AT LARGE -- TOWARD OPENNESS, TOWARD GROWTH AND TOWARD PEACE.

AND NOW, I SALUTE THOSE VISIONARY LEADERS WHO FOR THE PAST 15 YEARS HAVE BROUGHT US DOWN THAT ROAD, AND I WISH CONTINUED SUCCESS TO THOSE WHO WILL CARRY US FURTHER ALONG IT TO A BETTER TOMORROW.

PLEASE JOIN ME, MR. MINISTER, IN A TOAST:

-- TO THE HEALTH OF CHAIRMAN DENG XIAOPING,  
PRESIDENT YANG SHANGKUN, GENERAL SECRETARY ZHAO ZIYANG,  
AND PREMIER LI PENG;

-- TO THE HEALTH OF MINISTER QIAN AND HIS WIFE;

-- TO THE FRIENDSHIP OF OUR TWO COUNTRIES NOW AND IN  
THE CENTURY AHEAD -- AND MAY IT CONSTANTLY REFRESH AS A  
BREEZE ACROSS THE LAKE OF THE SUMMER PALACE;

GANBEI  
SHULTZ  
BT  
#4112